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MARR, BT, IN

SUBJECT: DELHI DIARY, APRIL 20-25

REF: 06 NEW DELHI 6886

Classified By: PolCouns Ted Osius for Reasons 1.4 (B,D)

¶1. (U) Below is a compilation of political highlights from Embassy New Delhi for April 20-25, 2007 that did not feature in our other reporting, including:

-- Mid-Election Scandal Could Shake Up Politics
-- Bhutan's Voters Elect "Yellow" in Mock Polls
-- Another Bomb Found and Defused in Bhutan
-- India Holds Joint Naval Exercises with Russia
-- Supreme Court Bars OBC Quotas, UPA Objects

Mid-Election Scandal Could Shake Up Politics

¶2. (SBU) The April 19 arrest of Bhartiya Janata Party (BJP) Member of Parliament (MP) Babubhai Katara at the New Delhi International Airport for alien smuggling has unearthed what appears to be a pervasive pattern of criminal behavior involving numerous Parliamentarians and a nation-wide smuggling ring. During his interrogation, Katara revealed that he had been involved in the racket since 1993 and provided the names of several accomplices. When picked up by police, Katara's partners in crime claimed that other MPs were also involved, including one from the BJP and another from the Bahujan Samajwadi Party. Saying that the revelations were just "the tip of the iceberg," Congress official Manish Tiwari claimed that "at least eight more" BJP MPs were involved in "human trafficking." Congress leaders pledge to raise the issue when the budget session of Parliament resumes on April 26. UPA Science and Technology Minister, Kapil Sibal, ridiculed the BJP for its alleged hypocrisy, saying "is this the pride the Gujarat Chief Minister (Narendra Modi) talks of?" Sibal claimed that the smuggling racket was part of a pattern of criminal behavior by Hindutva MPs from the BJP (Note: Katara, in addition to being an MP, is a high-ranking official in the Vishwa Hindu Parishad - VHP, which is known for preaching Hindu morality. End note.) Sibal claimed that Gangaram Koli, another BJP MP, was involved in human trafficking to the Netherlands in 1998. Police have seized twelve passports from Katara's residence, and have called four more MPs in for investigation (one from the BJP and three from the BSP). The advent of

round-the-clock TV news channels has provided a ready audience for the airing of politicians' dirty linen. The media coverage, ongoing police investigation, and the expected uproar in Parliament all but guarantee that this scandal will have legs, especially if more MPs are arrested.

¶3. (C) Comment: This could not have come at a worse time for the BJP, which is in the midst of a hotly contested Legislative Assembly campaign in Uttar Pradesh, while its government in Gujarat faces the voters in December. Congress will take maximum advantage of this opportunity to score some points against the resurgent BJP. End comment.

Bhutan, s Voters Elect "Yellow" in Mock Polls

¶4. (U) Preparing for its 2008 national elections, Bhutan held mock elections April 21, attracting 125,338 out of 246,146 registered voters (out of approximately 375,000 eligible voters). According to the Election Commission website, the Yellow "Party" trounced the competition, and will face the Red "Party" in runoff elections May 28. The Election Commission acknowledged some glitches in the transmission of results from remote, mountainous regions, as well as lack of identification cards for several voters at one district. Still, the relatively smooth proceedings contrast sharply with other elections in the region.

Another Bomb Found and Defused in Bhutan

¶5. (SBU) Another bomb was found in the Bhutanese border town

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of Phuentsholing on April 23 and safely neutralized by police, Kuensel reported. Police found a handwritten note claiming responsibility on behalf of two organizations: the Bhutan Tiger Force and the Bhutan Revolutionary Youth Organization. This is the fourth bomb incident reported since October 2006.

Timeline:

-- October 2006: Two bombs found and safely defused in Phuentsholing.
-- December 2006: A bomb exploded in Phuentsholing, wounding four.
-- March 2007: An IED found and safely defused in a roadside culvert on the road between Pasakh and Tala.
-- April 23, 2007: Bomb found on the railings of a culvert bridge 2km outside of Phuentsholing and defused.

India Holds Joint Naval Exercises with Russia

¶6. (U) India and Russia began the three-day joint naval exercise & Indra 2007 in the Sea of Japan on April 24. This is the third such joint exercise since 2003. According to the Russian Ria Novosti news agency, the Indian flotilla is comprised of three missile destroyers, a missile corvette and a tanker, while the Russians are coming loaded for bear (peacock?) with two large anti-submarine ships, a missile boat, a diesel submarine, a group of mine-sweepers, a tanker, two tug-boats, two KA-27 Helix helicopters, an IL-38 maritime patrol and anti-submarine warfare aircraft. The live-fire exercise will include air defense and anti-submarine warfare maneuvers, as well as operations to enforce the law of the sea and counter piracy, terrorism, and drug smuggling, the Russian press added.

¶7. (U) In September, the two countries will initialize phase two of Indra 2007 with ground operations in Pskov in North-West Russia. Indian paratroopers will operate on Russian soil for the first time for these live-fire paratrooper games.

Supreme Court Bars OBC Quotas, UPA Objects

18. (U) On April 23, the Supreme Court (SC) rejected a Government of India appeal to allow Other Backward Castes (OBC) reservations in government higher education institutions to proceed. The following day, it back-tracked and confirmed that it would re-examine the issue on May 8. The continued uncertainty surrounding implementation of the law leaves universities in the lurch on admission decisions for the upcoming academic year, which begins on July 1. Central universities, however, do not start their admissions process until the beginning of May. Indian Institutes of Management and Technology (IIMs, IITs) are facing a tighter crunch since their admissions process is extensive, including separate tests, interviews, and counseling sessions. They initially said they could not wait beyond April 21 to make their admissions announcements. Should the SC allow OBC reservations to proceed, central universities could still admit the new OBC applicants on time, while the IIMs and IITs will be left scrambling to abide by the law. (see reftel)

19. (C) Comment: Congress hoped the reservations would be welcomed by the increasingly powerful OBCs, but the legislation has become a political nightmare that has needlessly stirred up the higher caste students (many of whom will now be attracted to the BJP), while winning little support from the OBCs. Congress is already under attack from the BJP and other opposition parties for alleged incompetence and mismanagement. This badly conceived measure will reinforce that impression and undercut popular support for the party. End Comment.

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